



THE Agricultural Situation

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Looking Ahead For Your Farm and Family

TRANSFERRING farm ownership to the oncoming generation is a matter of considerable importance to farm families. If you own your farm, chances are you have spent hard-earned dollars and have given some of the best years of your life to make it the productive farm it is today. But what of the future? Have you given thought to when, how, and to whom you want your farm to be transferred, and what effect this may have on all parties concerned and upon the future of the farm itself.

The manner in which the ownership of your farm is transferred may have an important bearing, for example, upon whether your farm is allowed to run down and farm production to fall off; whether the farm ownership or operating unit is broken up; whether it leaves you and your wife in an insecure position, or works a hardship on one or more of your children.

Because of the many different situations that may exist, no hard and fast rules can be laid down to help you. Whether you will want your farm to stay in the family, for example, will depend upon several factors, including the interests and aptitudes of your children and the size of your farm. A number of farm owners have brought a son (or son-in-law) into the farm business. This would permit you to slow down in your declining years and still maintain a productive farm. At the same time, it would permit your son to acquire valuable farming experience and to accumulate some working capital.

The son may sooner or later become discouraged and lose interest, however, unless some definite arrangement for transferring ownership of the farm is worked out. But there is also the question of security for yourself, and your wife, and equitable treatment of the other children. Such interests may tend to conflict with each other.

Careful thought, perhaps a family discussion, and competent legal assistance are indispensable in attempting to reach a sound solution.

You may use any of several different methods of transferring the ownership of your farm property, particularly the real estate, either before or upon death. You could make out a will. Or you might make out a deed, for cash plus a mortgage. Or you might draw up a contract to later deed the property. In most States you could make a deed of gift but reserve the life use of the property for yourself. Or you could arrange to have the farm owned jointly by you and your wife, with the survivor to get the entire property on the death of either. Or you may do none of these things and simply allow your property to pass to your heirs on your death according to the laws of descent.

These are just a few of the ways in which farm ownership may be transferred. Each such method has certain advantages and disadvantages. This short article will be limited primarily to a discussion of just two of the ways in which farm ownership may be transferred, (1) by the laws of descent, and (2) by a will.

The Laws of Descent

Let's look at what may happen if you allow your farm to pass to your heirs on your death according to the State laws of descent. While these laws vary from State to State, they generally include some special provisions for your wife. Your children (and the descendants of any deceased children) usually get the balance of the property—after various claims against the estate have been paid, such as creditors' claims, expenses of settling the estate, and inheritance or estate taxes.

Certain difficulties may be encountered in the settlement of one's estate. As we shall see, several of these difficul-

ties can be remedied or at least reduced through the close cooperation of all heirs. Such cooperation may serve, for example, to reduce the time and cost of settling the estate and to avoid the "fuss and fury" which so often may disrupt family harmony. But unfortunately such cooperation cannot always be counted on.

Usually there are two or more heirs with just one farm to share among them. On the basis of research studies conducted in Michigan and Virginia, the farm usually is not actually split up. The law in most States does not require such physical division. Frequently, however, the farm is either sold outside the family or it continues to be held in common by the heirs after the estate has been settled in court.

One of the heirs may eventually arrange to buy out the shares of the others. But it often takes several months, or even years, before one heir is in financial position to buy out the others, or can arrange to do so on terms satisfactory to all concerned. Meanwhile, farm operations, too often, may just drift along, because of the uncertainty of eventual ownership. Farm production may fall off, and the farm itself may be permitted to run down.

This unfortunate situation can be improved if the heirs draw up a lease or other written agreement covering the operation of the farm by one of their number, especially if the agreement sets up a plan to compensate the heir who operates the farm for any improvements he may make. In the absence of some such agreement, however, he would have little assurance of ever getting the full benefit of the improvements he makes, for he usually would not know how long he might continue to operate the farm. No one heir would have exclusive rights to possess the farm as against the others, and any heir could usually start partition proceedings in court at any time.

More often than not, the wife survives her husband. Most State laws contain special provisions for a surviving spouse, particularly a widow. Such provisions vary from State to State. They may include dower and homestead rights in the real estate, rights to specified articles of personal property, a modest living allowance, or other special provisions. And in com-

munity property States (Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington) the surviving spouse may have special rights in community property.

In many States part or all of these provisions have priority over the claims of most creditors. Nevertheless, they sometimes may be inadequate for the widow's support, especially where the estate is small. In such cases the other heirs may permit her to keep their rightful share of the farm income during the remainder of her life, or make other provisions to help her out. But the law usually doesn't require them to do so.

Making a Will

One way in which some of the above difficulties in the inheritance process may be avoided or reduced is to make a will. If you find that the laws of descent probably won't take care of your situation the way you would like, taking into account your particular circumstances and desires, you might consider making a will which takes care of the transfer on your death more in accord with your wishes.

State laws generally impose certain restrictions, however, on one's ability to disinherit his or her spouse, particularly a widow. In many States, for example, she may claim her dower rights irrespective of the will. And in one State, Louisiana, there are definite restrictions on one's ability to disinherit any of his children.

Following are two ways in which a will may be helpful:

(1) Special provisions may be made in a will for the surviving spouse (subject to the above-mentioned limitations in Louisiana). This may be desired by a young married farmer whose widow may be left with minor children to look after. If your children have all grown up and the provisions required by law for your widow appear inadequate for her support, you may want it too. (Life insurance which names your wife as beneficiary is another way to provide her with additional means of support.)

(2) A will can be used to safeguard the position of a son who may be operating the farm. Under the laws of descent in most States, this son would not acquire any greater rights in the farm than the other heirs, even though

he may have substantially improved the property. Moreover, there is little assurance that he can enforce against your estate any oral promises you may have made. In such a case, you might state in your will that this son will get your farm on your death, providing he makes certain payments to the widow and other heirs.

Since you are generally free to change your will at any time, however, you might want to consider entering into a contract not to change such a provision in your will for the son without his consent. Such a contract can be enforced in most States if properly drawn up, with your wife's signature to waive her dower or other legally protected rights. But your wife's security needs to be carefully considered and safeguarded. And in Louisiana this whole arrangement would be subject to certain limitations imposed by State law to protect the other children.

There are several other possible advantages of a will. For example, you can make bequests to charitable organizations. Or you can designate the person you would like to act as *executor* of your estate.

You should remember, however, that while it is often desirable to make a will, simply making it out does not necessarily guarantee a more satisfactory disposition of your property. This depends largely upon what the will provides. In both the Virginia and Michigan studies, for example, it was found that farms were split up somewhat more often when they were transferred by will than when they were transferred by the laws of descent. While a farm can sometimes be divided up in such a way that economic farming units still remain, care should be exercised in making a will to avoid unduly splitting up the property.

Wills are not necessarily long and complicated documents. But *competent legal help* should be secured to be reasonably sure of their validity and effectiveness. Such help also should be obtained before amending or revoking your will. Keep your will up to date, to conform with changing circumstances, or the will may do more harm than good.

This short discussion has indicated just a few of the factors you should consider in planning for the transfer

Outlook Highlights

. . . July 1953

PPRICE trends have been mixed, hogs higher, wheat lower. On the *average*, however, prices received by farmers have changed little so far this year. June index was down only 3 percent from January. This much stability in the face of heavy marketings attests to the strength of consumer demand. With employment and factory production here at home at high levels, consumer income has been at record levels this spring. Demand from abroad, on the other hand, is less optimistic. Our exports the first 9 months of the 1952-53 marketing season were down nearly a third in value from a year earlier.

Wheat Supply Prospects—Size of Next Year's Exports Important

A generally favorable growing season and an increase in carryover stocks point to a record supply of wheat for the 1953-54 marketing year. Timely rains this winter and spring in most areas except the Southern Great Plains have greatly improved prospects for the *winter wheat* crop, which on June 1 was forecast at 770 million bushels. This is short of last year's billion bushel output of winter wheat but is near an average crop. Conditions also have favored *spring wheat*. Prospects June 1 were for 363 million bushels, a half more than last year, a fourth more than average.

All wheat production prospects, at 1,132 million bushels, are below last year's 1,291 million; but about 580 million bushels of old wheat will be left over in July, the third largest carry-

(Continued on page 14)

of your farm, and is not intended as a substitute for competent legal advice. Simply allowing the laws of descent to dispose of your farm may sometimes appear to be the best course to follow after all. But this ought to be a *planned decision*, arrived at only after considering the several other methods of transfer available.

Harold H. Ellis
Bureau of Agricultural Economics

Drainage Can Play Big Role In Future Land Development

SOME farming areas have too much water, and others too little. Too much is the problem of some of our better potential farming areas in the East. Here, wet lands and overflowed areas make up a large part of the acreage suitable for agricultural expansion.

Every State, of course, has some land that can be improved through artificial drainage, but the largest areas of wet land are found in the eastern half of the country. A large total acreage that could be drained lies in the Southeast, in the river bottoms and along the Atlantic coast. In the Mississippi Valley, where the river has built a great alluvial plain, are additional thousands of acres, destined to feel the "healing" hand of the drainage dredge. And in the Lake States and the Corn Belt—where much natural drainage was destroyed by glacial ice—there is a great deal of potentially good land that could be put in better shape for the plow by drainage.

There is an estimated 50 million acres of wet land suitable for agriculture, once it has been properly drained; and most of it lies in the eastern half of the country. Not all wet land, of course, is suitable for drainage. There are at least 75 million acres of wet land in the United States that are unsuited for agriculture under present conditions, but which may be used for wildlife, forests, and recreation.

20 Million New Acres Possible From Drainage—Mostly in East

Some of the 50 million acres that could be successfully drained is already partly cultivated, although in need of better water control if it is to be put to full agricultural use; but there's an estimated 20 million acres of totally undeveloped land that is in need of drainage to make farming land of it. Roughly 7 million acres of this drainable land is found in the fertile bottom lands of the Mississippi River, in Arkansas, Mississippi, and Louisiana. Another 7 to 8 million acres are scattered in the Coastal Plains and other parts of the Southeast.

More Acres If Needed

THERE is no great need right now for any big acreage expansion. But it is comforting to most of us to know that our land resources haven't been exhausted and that more acres can be developed when they are needed.

Our population continues to grow and we do have to look ahead. Even with better farming and increased yields, there will come a time when some expansion will be needed in our total farming acreage if all our people are to be properly fed and clothed. Besides, we must remember that good land tends to drive poor acres out of production. A little of this goes on all the time. There are always some marginal, unprofitable acres that could well be replaced by acres that would be more productive. There is also the suggestion that more fallow and pasture land per farm is needed for long-run economical production—so that farmers will be better able to rotate their crops and maintain the fertility of their soil.

The accompanying article does not undertake to tell us how much additional land could be brought into production. To do this accurately, and to spot it on State and county maps, will require further studies. But we do learn from this article that about 20 million acres of good farm land, principally in the eastern half of the country, could be added to our total farming acreage simply by developing lands in need of drainage. This potential acreage from drainage alone would be about 10 times the Nation's rice acreage, nearly as much as the South's corn acreage, almost the size of our total spring wheat crop, and a larger acreage than was planted to cotton in 1950 in the entire United States.

It should be pointed out that the 20-million acres of totally undeveloped land that could be brought into production by drainage are lands not included in present drainage enterprises; and, of course, are not included in the table or the accompanying chart. The chart and the table appear with this article to show that drainage is being done, and at an increasing rate.

Already much good land has been made available for crops and pastures through drainage. The 1950 Census of Drainage reported nearly 103 million acres in drainage enterprises. As

shown in the table this land in organized drainage enterprises is largely concentrated in the Corn Belt, Lake States, and the Mississippi Delta. Between 1920, when the first Census of Drainage was taken, and 1950, the greatest increase of land in drainage enterprises has occurred in the Delta and Corn Belt States. The Southeastern Region has had a high proportional increase. The relatively little drainage work done in the Western States, has been for the most part connected with irrigation.

Group Effort Often Necessary

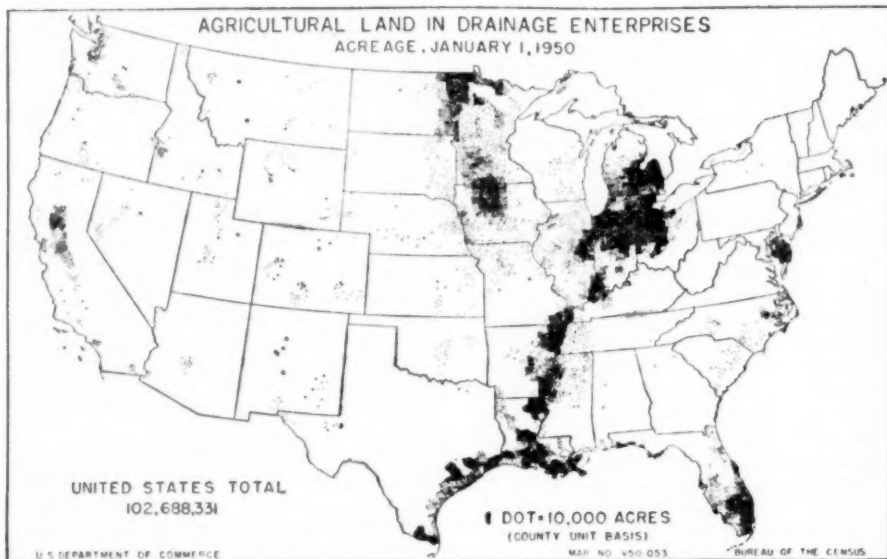
Sometimes farmers have only a few wet spots in their farms which need to be drained. If an outlet is available this land can sometimes be drained with a small outlay of cash. Improved yields will generally repay the farmer within a short time. Other farmers are digging ditches, or placing tile to drain larger acreages of wet land on their farms. But there is a limit as to how far the individual farmer can go.

Land drainage frequently requires that farmers work together as a group. This has led to the establishment of many drainage districts organized under State and local laws. These districts have elected officials (or officials

appointed by the local governing bodies) who are empowered to borrow money and contract for the building of drainage structures, as ditches, tile drains, levees, and floodgates. The loans obtained are usually secured by a lien on the land within the district. Taxes, for retirement of the district debt, are assessed on the basis of benefits received. Most of the major drainage projects of the United States have been undertaken by drainage districts, and the investment has been made chiefly by private citizens.

In some cases, farm drainage is aided by the development of major drainage outlets by the United States Army Engineers, particularly in the Mississippi Alluvial Valley. These new or improved outlets have encouraged the organization or reactivation of many drainage districts.

Between 1940 and 1950 the land in drainage enterprises as reported in the Census of Drainage increased by nearly 16 million acres. Half of this increase occurred in Louisiana, where reorganization and expansion of drainage activity is going forward rapidly. Another 5.5 million acres of the increase occurred in Texas, Michigan, Ohio, Indiana, and Iowa. These six States, together with Minnesota, Florida, and Illinois, where less change occurred,



accounted for three-fourths of the land in drainage enterprises in 1950.

Not all of this land in drainage enterprises is adequately drained. About 30 million acres of the 50 million acres of inadequately drained land lies within the boundaries of existing enterprises and would benefit by better outlets and more complete farm drainage systems. The other 20 million acres, as we have said before, is good potential farm land largely for which no drainage plans have yet been made. Further studies and surveys will be necessary to delineate all the drainable areas so that the potential acreage can be shown by States and Counties. But if this acreage were to be shown on the map, the dark, dotted space would be increased by about a fifth; and, in the Southeast it probably would be more than doubled.

The mechanization of agriculture has made it doubly necessary to perfect land drainage systems. Wet spots, where heavy equipment will bog, represent real hazards to successful farm operation. The effective use of machines also requires as large fields as possible with uniformity of soil. This means that land drainage systems need

Animal Fats Used In Making Steel

LIVESTOCK farmers will be glad to know that a new use has been found for animal fats.

Lard, tallow, and white grease (a grade of hog fat), when slightly modified, can now be used for tin-plating of steel sheets. Imported palm oil has commonly been used for this purpose. Research sponsored by the U. S. Department of Agriculture and the Department's Eastern Regional Research Laboratory made the discovery possible.

to be planned with soil type in mind as well as size and shape of field. While costs of draining land vary a great deal from place to place and from time to time, the large acreages drained since World War II indicate the potentialities.

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Bureau of Land Management
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Land in Organized Drainage Enterprises, by Specified Years ¹

REGION	LAND IN ORGANIZED DRAINAGE ENTERPRISES ²				
	1920	1930	1940	1950	CHANGE 1940-50
Northern	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Northeastern			578	744	166
Lake States	19,757	21,548	20,730	21,979	1,249
Corn Belt	28,924	32,700	32,194	35,194	3,000
Northern Plains	2,164	2,929	3,227	3,457	230
Total	50,845	57,177	56,729	61,374	4,645
Southern					
Appalachian	1,265	1,873	1,908	2,750	842
Southeastern	1,843	6,247	6,016	6,506	490
Mississippi Delta	7,347	11,275	11,703	19,886	8,183
Southern Plains	2,178	3,054	4,416	6,096	1,680
Total	12,633	22,449	24,043	35,238	11,195
Western					
Mountain	810	1,970	2,773	2,671	² -102
Pacific	1,207	2,812	3,422	3,405	² -17
Total	2,017	4,782	6,195	6,076	² -119
United States	65,495	84,408	86,967	102,688	15,721

¹ Bureau of the Census, Drainage of Agricultural Lands, 1950, Vol. IV.

² Including irrigation enterprises having their own drainage. ² Decrease.

Do Young Farmers Start Off With Small Farms?

BECAUSE young farmers haven't been farming very long, you may think they are handicapped by smaller than average farms and smaller than average incomes.

If you have any "set ideas" on this subject, you may be interested in some figures from the 1950 Census of Agriculture. From these figures we are able to summarize the relationship between the ages of farmers and the sizes of farms they operate; also the incomes they receive from the sale of farm products. The figures we have selected relate to the Corn Belt and Lake States.

There were almost 1.5 million farm operators in the region in 1950. About 18 percent of these were under 35 years of age and can be classed as "young farmers." Forty-four percent were between the ages of 35 and 54 years and will be called "middle-aged." Another 33 percent were 55 years and over and will be termed "older farmers." The other 5 percent did not report their age.

Age Group by Farm Size Corn Belt & Lake States ¹

Farm Size ²	Young Farmers Percent	Middle- aged Percent	Older Farmers Percent
Small farms.....	35.0	38.4	48.9
Medium size.....	48.9	44.1	36.7
Large farms.....	16.1	17.5	14.4
Total.....	100.0	100.0	100.0

¹ Ohio, Indiana, Illinois, Iowa, Missouri, Minnesota, Wisconsin, Michigan.

² Small farms, 70-139 acres; Medium, 140-259 acres; Large, 260 acres and over.

The manner in which these young, middle-age, and older farmers were distributed on small, medium size, and large farms is shown in the above table. These data show that there is *no apparent tendency for young farmers to concentrate on smaller farms*. In fact, a smaller proportion of the young farmers were on small farms than was true either for the middle-age or older groups. The older farmers were the

ones who showed the greatest tendency to concentrate on the small farms.

The percent of young farmers who farmed large farms is greater than that of the older farmers but is slightly smaller than that of the middle-age group.

Income by Age Group ¹ Corn Belt & Lake States

Income Class	Young Farmers Percent	Middle- aged Percent	Older Farmers Percent
\$250 to \$1,199.....	5.0	6.3	18.9
\$1,200 to \$2,499....	16.1	17.3	24.0
\$2,500 to \$4,999....	27.5	27.4	27.2
\$5,000 to \$9,999....	33.0	30.9	20.1
\$10,000 to \$24,999..	16.3	15.7	8.4
\$25,000 and up.....	2.1	2.4	1.4
Total.....	100.0	100.0	100.0

¹ From Sale of Farm Products.

The relationship between the income received from the sale of products off the farm and the age of the operator is shown in the second table. Again, it becomes apparent that *there is no tendency for the young farmers to show any disadvantage compared with the older groups*. In fact, the young farmers did fully as well as the middle-age group and substantially better than the older group. However, one must recognize that these data do not tell the whole story.

More Renters in Younger Group

About 56 percent of the young farmers were tenants whereas only 25 percent of the middle-age and 10 percent of the older farmers were so classed. Likewise only 26 percent of the young farmers were full owners, while 51 percent of the middle-age and 74 percent of the older farmers owned their farms. This means that a larger proportion of the income received by young farmers had to be shared with landlords than was true for the other groups.

One may reasonably conclude that young farmers are farming on about the same size farms and have about the same gross incomes as other farmers. There appears to be no evidence of progression with age connected with these items. However, the pathway of tenure from renter to full owner appears to be associated with age. It takes time to create the estate that makes full ownership possible.

Frank T. Hady
Bureau of Agricultural Economics

Agricultural Uses of State-Owned Land

ALL OF THE STATES own rural land. Some have only the few tracts that are used for State institutions, historic monuments and the like. Others have large holdings in reserves set aside for special uses, such as forests, parks and wildlife refuges. Some States also have large holdings that are kept as a source of revenue and leased out to farmers and ranchers.

In 1950, rural land holdings of 21 of the States exceeded a million acres each and 14 of these held from 1.6 to 11.4 million acres of unreserved land. Most of the other States held only small acreages.

The States owned 80.3 million acres of rural land in 1950. Of this total, 22.4 million acres were reserved for specific public uses. The remaining 57.9 million acres were not classified with reference to use, but much of it was leased to farmers and ranchers for agricultural uses.

Very little of the land in State reserves is leased for farming and grazing. Of the 22.4 million acres in State reserves in 1950, only 182,257 acres were used for farming and 202,866 acres for grazing, and most of that so used was used by State institutions, such as prison farms, hospitals, correctional institutions, and agricultural colleges. In a few States small acreages were used by Indians living on State-owned Indian reservations. Most of the remainder was used by the State either directly or under share-rental arrangements to produce feed for wildlife. Virtually none of the reserved land was leased to farmers and ranchers as a source of revenue.

Farmers and Ranchers Use 46 Million Acres of State Lands

Farming and grazing are primary uses for most of the State-owned land not in State reserves.

Of the 57.9 million acres of unreserved land in State ownership in 1950, 2.2 million acres were used for farming,

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TWO previous articles by the same author dealt with Federal lands and their uses. One was in the March issue, the other in the May issue.

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43.9 million acres for grazing, and 3.5 million acres for forestry. The land used primarily for farming and grazing amounted to 80 percent of the total acreage of unreserved State-owned land.

Including the reserved land used for agricultural purposes by State institutions and other, 2.4 million acres of the State-owned land were used for farming and 44.1 million acres were used for grazing (see chart). The sum of these was 58 percent of the total acreage in State ownership.

Most of the State-owned farming and grazing lands are located in the Western States.

The land that is leased to farmers and ranchers consists largely of State grant-lands, mostly certain "numbered" sections in each township and scattered throughout the States. These are lands that were granted to the States from the Federal public domain to help finance public services and internal improvements. In the States that have offered their grant-lands for sale, the farm land and the better grades of range have been sold and the land remaining in State ownership is of relatively poor quality and largely unsalable. In the States that have held their grant-lands, however, much of the State-owned farm and ranch land is similar in quality to the land in private ownership.

On the average, the quality of the State-owned land is below that of farm and ranch land in private ownership but it is generally better than that of the unreserved land in Federal ownership.

In 1949, the grazing land in State-ownership supplied an estimated 7 mil-

lion animal-unit months of grazing. This amounted to one animal-unit month of grazing from 6.32 acres of grazing land. By comparison, it took 8.03 acres of Federal range to supply the same unit of grazing.

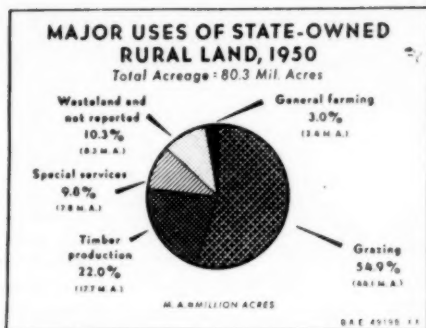
In some areas, use of the State-owned land is highly important to farmers and ranchers. In New Mexico, for example, the State-owned grazing land supplied 11.5 percent of the total forage requirement for all forage-consuming livestock in the State. In the Mountain States as a group, State-owned range supplied 4.4 percent of the forage required for year-long maintenance of all range livestock in the region.

Data are not available to show the specific uses and production of the State-owned land used for farming. The farming lands are scattered throughout the States and their specific use is determined by local conditions. Much of the total acreage used for farming is located in range-livestock and wheat producing areas in the Western States. The production is about like that of other farm land in the locality.

Rental Arrangements

In most of the States, the authority of State agencies to develop and maintain agricultural land in State ownership is limited by constitutional or statutory provisions or other circumstances. In many instances, the scattered tracts held by the State are inadequate, when used alone, for efficient farm or ranch units. Lacking means to block-in and develop efficient units, State land departments have adopted policies designed to encourage the development and proper use of the State land under leases. In some instances, policies are so favorable to lessees that a lease on State land is the practical equivalent to purchase and the rental rates are comparable to ad valorem taxes.

The State-owned farming and grazing lands are commonly leased on the basis of "preferences" that are transferable. The preferences were established for original users to provide security of tenure, or to assure compensation for the improvements that had to be made in order to use the land. The land is customarily leased and re-



leased to the same individual and in connection with the same private property, unless the lessee sells or gives up his preference. In this way, an operator can develop an efficient farm or ranch and expect the State land to continue to be a part of his farm or ranch organization.

In States where rental rates on the State-owned lands are comparable to taxes, and where continued use of the land is assured through leasing preferences, little or no advantage would be gained by buying the State land. One method of obtaining State leases is to buy the private property of existing lessees. In such transactions, the value of the State lease is considered in determining the price of the private property. Leases on State land frequently sell for prices comparable to actual purchase prices of similar land in private ownership.

In a few of the States, rental rates on the State-owned land are determined by competitive bids. In these States it is the general practice to give the established lessee a preference over competitive bidders in order to protect his investments in improvements. He usually has a choice between continuing his lease by paying the highest offered rental rate or offering his preference for sale to the competitive bidder. The value of the preference is considered to be the value of improvements left on the land. If there is disagreement on price, a new lessee usually is required to reimburse the owner of the improvements for their appraised value as determined by the State land commissioner.

R. D. Davidson

Bureau of Agricultural Economics

A Letter to Crop and Livestock Reporters

I WISH I were rich. Every now and then, when problems get pretty thick around here, and people get to complaining, and the weather gets hot, and the toast burns, and a tire goes flat, I just wish I were rich so I could beat it off to the country and forget the whole business. That was the mood I was in the other day when I went home. And when I found the sink drain stopped up it just seemed like more than I could take. Well, I groused around, didn't enjoy my dinner, thinking about that dirty drain job, and generally got myself, along with the rest of the family, into a pretty bad state.

Finally, feeling pretty sorry for myself, I got the pipe wrench, and various assorted tools, and went to work. It turned out to be less of a job than I had dreamed up; and when Mrs. Newell came along and said I was sure "a swell fixer" and she didn't know what she would do if I were one of those guys that didn't know a grease trap from a union coupling, the whole world changed. Why, I even went ahead, without being reminded, and fixed the light switch on the porch and the screen door that had been sticking for a month. I even got to thinking about that business of being rich.

If I had been rich, I probably would have called a plumber and developed a few more gripes, because he didn't come or because of the size of his bill. As it was though, I ended up by feeling pretty proud of myself.

So, maybe we are all rich and really don't know it. Oh I don't mean we all have a lot of money. That's something else. Being able to decide things for yourself, have friends, join the church you choose; vote for whom you please, have a family; and, * * * well, being able to gripe about anything or anyone you want to * * * all this adds up to real riches. Of course, we in this country take things like that for granted. But there was a time when we didn't have so many riches. And there are lots of places in this world,

now, where a fellow could get in the hoosegow pretty quick for saying or doing things we regard as a personal right.

Now isn't that just the way things are a lot of the time? We get to feeling sorry for ourselves, wishing we were rich only to find out we have a lot we take as a matter of course that some other fellow would risk his life to get.

This sort of thing comes up here right along. One fellow wrote in not long ago and said he didn't see any use in getting out reports on crop and livestock production. Then right along with that came some complaints about our cutting out one report on popcorn. And a whole delegation of turkey producers landed here saying they were not being treated fairly because they didn't have the basic information on production they had to have if they were going to do a sensible job of planning production and marketing their crop.

I guess the most striking example we run into right along is the comments and inquiries we get from some foreign countries where there is no reporting service. We have lots of people come here to learn about our system. Many of these people tell us of the serious problems they have because they don't have reliable information and wish that they might do something to provide their producers with even a part of the information we just expect as a matter of course. So it occurs to me that a lot of people who don't have a reporting service regard such a service as real riches.

Well, I guess the next time things get to going badly I'll pop off with, "I wish I were rich." Actually, I'll know I am rich and am just letting the problems of the moment cast a shadow that temporarily dims the sunshine of the many things we have that make us all rich.

S. R. Newell, Chairman
Crop Reporting Board, BAE

Less Chore Work Per Hog In Larger Herds

LABOR COSTS in hog production usually rank next to feed costs. Many of the 3 million farmers who raise hogs would benefit by considering how much time they spend in hog raising. Some labor-saving methods that have been used could help many farmers to cut costs. On many farms, especially in the Corn Belt, hog raising is a highly organized and efficient commercial enterprise. On other farms and in other areas hog raising is more of a sideline.

Considerably more time is spent per sow and litters in small herds than in large herds (see table).

In Indiana, for example, between 8 and 9 times as many sows per herd were found on the farms with the largest herds as on the farms with the smallest herds. Yet on the average farmers spent only 5 times as many man-hours in caring for the large herds. This means about 40 percent less time per sow in the large herds.

Frequently, production of meat per sow in large herds is greater than in small herds because of larger litters, or because of heavier weights at time of slaughter. This means that there is greater difference in man-hours per hundredweight of hogs produced than in man-hours per sow between the small and the large herds. This difference in production of hogs per man-hour of chore work among various sizes of herds is not confined to a particular part of the country. In all sections less time is spent on a sow in large herds than on one in small herds.

The State average of man-hours per sow is lower in the corn-hog States, such as Indiana, chiefly because more of the sows are in large herds on which relatively little time is spent per sow. Fewer than a fifth of the sows and gilts for spring farrowing in 1950 in Idaho and Mississippi were in herds of 10 or

more, while three-fifths were in that size of herd in Indiana. Almost all of the sows in Indiana had both a spring and fall litter; but in Mississippi there were only 77 percent and in Idaho only 68 percent as many fall as spring litters. Consequently, the man-hours per sow in Indiana would be even lower if the number of litters per sow was the same as in the other two States.

Efficiency Program Better Suited to Commercial Farms

Even though the time spent on the 1-, 2-, and 3-sow herds is not highly productive, there is little alternative use for the labor in many instances. Children often do part of the chores on hogs; and, even if done entirely by adults, the chores come at a time of day when they fit in with the farmer's operations. An average of only about a half hour a day is spent on these small hog enterprises; and if the time were spent more efficiently, it would not raise significantly the productivity of the total labor force on the farm. In addition, a few hogs on a farm usually consume waste products and pasture that would probably not otherwise be used.

With large herds of sows, the hog enterprise is big enough for a definite program of hog raising. On such farms a systematic method and plan of caring for hogs can be worked out and followed. In Indiana, farmers averaging 17 sows used an average of 1.8 man-hours for each 100 pounds (live weight) of hogs produced. This means that many farmers were using even less time for chore work on hogs.

Undoubtedly, many of these Indiana farmers were hogging down corn and had self-feeders and automatic watering systems. Such things not only save time, but they save the hard work involved in handling feed and water.

They also save the farmer the necessity, during certain periods of the year, of routine chores twice or more a day. However, hogs must be watched carefully during extremely hot weather and at breeding and farrowing time. Here too, time can be saved by having the sows bred so that all will farrow in a relatively short period of time. Having the hogs ready for market at about the same time may also save a trip to market with a part of a load.

If individual farrowing houses are used, some thought also should be given to the different kinds of arrangements that are possible. Houses and pens can be planned in such a way as to facilitate watering, feeding and working with the sows and pigs. The location should be as near as possible to the supply of feed and water.

These are but a few of the things some farmers are doing to reduce time and lessen drudgery in producing hogs. Additional farmers with large numbers of hogs might well consider the adoption of these and other labor saving practices. A few minutes less time spent on frequently repeated chores will

add up to a worthwhile saving in labor, and a reduction in the total cost of hog production.

Production practices that will save more pigs per litter and will produce a marketable hog in a shorter period of time will also result in fewer man-hours per hundredweight of pork produced even though they may take more time per sow. A healthy and properly fed sow both before and after farrowing will produce and suckle a larger litter. Guardrails in the farrowing pen lessen the danger of the sow crushing the pigs. Use of heat lamps, pig hovers, or farrowing crates will help prevent loss of pigs, particularly when farrowing is done in unheated buildings during cold weather. Plenty of feed, including protein supplement and pasture, an abundant supply of water, and strict sanitation and disease control result in maximum gains. Good commercial producers find these practices essential. Their use usually will mean low total cost and few man-hours per hundredweight of hogs produced.

Reuben W. Hecht

Bureau of Agricultural Economics

Labor Required in Raising Hogs, 3 States 1950¹ . . . Also Related Factors

Sows per herd	Idaho			Indiana			Mississippi		
	Average size of herd	Man-hours		Average size of herd	Man-hours		Average size of herd	Man-hours	
		Per sow and litters	Per hundredweight production (live weight)		Per sow and litters	Per hundredweight production (live weight)		Per sow and litters	Per hundredweight production (live weight)
1 to 4	<i>Sows</i> 2	<i>Hours</i> 101	<i>Hours</i> 4.2	<i>Sows</i> 2	<i>Hours</i> 86	<i>Hours</i> 3.1	<i>Sows</i> 2	<i>Hours</i> 110	<i>Hours</i> 4.4
5 to 9 ²	9	61	2.9	7	69	2.5	10	74	2.5
10 or more				17	51	1.8			
State average	3	80	3.6	7	61	2.2	3	99	3.8
Percentage fall litters are of spring litters									
State average	Idaho			Indiana			Mississippi		
	68 percent			96 percent			77 percent		

¹ Basic data from current BAE publications that contain labor and power requirements for several farm enterprises.

² Herds with 5 or more sows in Idaho and Mississippi.

Outlook Highlights

(Continued from page 4)

over in history. Production, carryover and imports add up to a total supply of 1,717 million bushels in 1953-54, topping the previous record (1942-43) by 116 million and the 1952-53 supply by about 149 million bushels. We'll use about 685 million bushels for food, seed and livestock in the U. S. in the 1953-54 marketing year. Unless exports rise far above those for 1952-53, carryover on July 1, 1954, will exceed 700 million bushels. Previous record, 631 million, was in 1942.

Livestock

Producers have been pushing slaughter cattle and calves into the markets

at a record rate since February. Marketings the first half of this year were up nearly 30 percent from a year ago; in the April-June quarter the gain was 35 percent. Sales of fed cattle will dwindle in coming months. In the second half of 1953, marketings of all cattle probably will show a smaller gain over a year earlier than in the first half. However, number marketed this year is likely to nearly equal the number of calves produced.

Hog producers decided to reduce the fall pig crop, according to their June 1 plans. They reported to BAE that they intend to reduce farrowings this fall 5 percent from last fall. This reduction is planned despite the fact that hog prices this spring have been relatively high compared with feed prices.

(Continued on Page 16)

Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. A average of reports covering the United States weighted according to relative importance of district and State]

Commodity	Average		June 15, 1952	May 15, 1953	June 15, 1953	Effective parity price June 15, 1953 1
	Base period price 1	January 1947- December 1949				
Basic commodities:						
Cotton American upland (pound).....	cents.	\$ 12.4	31.21	38.02	31.73	33.98
Wheat (bushel).....	dollars.	4.884	2.14	2.06	2.06	1.88
Rice (cwt.).....	do.	1.92	5.38	5.62	7.02	6.81
Corn (bushel).....	do.	4.642	1.64	1.73	1.49	1.46
Peanuts (pound).....	cents.	4.8	10.2	10.3	11.2	11.1
Designated nonbasic commodities:						
Potatoes (bushel).....	dollars.	10.873	1.60	3.07	1.15	1.02
Butterfat in cream (pound).....	cents.	26.7	71.2	70.5	65.1	65.0
All milk, wholesale (100 lb.) 2	dollars.	1.68	4.42	4.38	3.92	3.86
Wool (pound).....	cents.	21.0	46.0	53.1	55.1	55.6
Other nonbasic commodities:						
Barley (bushel).....	dollars.	.488	1.37	1.24	1.24	1.16
Cottonseed (ton).....	do.	25.90	71.60	61.90	61.80	61.20
Flaxseed (bushel).....	do.	1.62	5.54	3.67	3.45	3.33
Oats (bushel).....	do.	.317	.852	.781	.749	.705
Rye (bushel).....	do.	.605	1.82	1.72	1.40	1.28
Sorghum, grain (100 lb.).....	do.	1.21	2.53	2.68	2.48	2.39
Soybeans (bushel).....	do.	.996	2.84	3.02	2.78	2.66
Sweetpotatoes (bushel).....	do.	.964	2.36	4.36	4.13	3.98
Beef cattle (100 lb.).....	do.	7.54	20.20	20.20	17.50	16.00
All chickens (pound).....	cents.	11.0	29.3	24.9	26.5	24.9
Eggs (dozen).....	do.	21.8	46.6	35.7	45.9	45.7
Hogs (100 lb.).....	dollars.	7.26	21.90	19.40	23.10	22.70
Lambs (100 lb.).....	do.	8.19	21.90	25.60	22.40	22.00
Calves (100 lb.).....	do.	8.39	22.60	29.60	19.80	17.00
Oranges, on tree (box).....	do.	2.29	1.23	1.35	1.41	1.94
Apples (bushel).....	do.	.996	2.39	3.00	3.42	3.25
Hay, baled (ton).....	do.	11.87	22.40	21.80	22.70	20.80

¹ Adjusted base period prices 1910-14, based on 120-month average January 1942-December 1951 unless otherwise noted.

² Parity prices are computed under the provisions of title III, subtitle A, section 301 (a) of the Agricultural Adjustment Act of 1938 as amended by the Agricultural Acts of 1948 and 1949.

³ 60-month average, August 1909-July 1914 for all cotton.

⁴ 60-month average, August 1909-July 1914.

⁵ Adjust base period price 1910-14 derived from 10-season average prices 1943-52.

⁶ Prices received by farmers are estimates for the month.

⁷ Preliminary.

⁸ 10-season average 1919-28.

⁹ Transitional parity, 80 percent of parity price computed under formula in use prior to Jan. 1, 1950.

¹⁰ Revised.

Economic Trends Affecting Agriculture

Year and month	Industrial production (1935-39=100) ¹	Total personal income payments (1935-39=100) ²	Average earnings of factory workers per worker (1910-14=100)	Wholesale prices of all commodities (1910-14=100) ³	Index numbers of prices paid by farmers (1910-14=100)			Index numbers of prices received by farmers (1910-14=100)			
					Commodities	Wage rates for hired farm labor ⁴	Commodities, interest, taxes and wage rates	Livestock and products			
								Dairy products	Poultry and eggs	Meat animals	All livestock
1910-14 average.....	58	-----	100	100	100	100	100	100	100	100	100
1925-29 average.....	98	-----	232	143	151	184	161	161	155	145	152
1935-39 average.....	100	100	199	118	124	121	125	119	108	117	115
1947-49 average.....	185	294	462	225	240	430	249	275	224	334	291
1950 average.....	200	330	518	232	246	425	255	247	181	340	278
1951 average.....	220	370	563	258	271	470	281	284	226	411	335
1952 average.....	219	388	592	251	273	503	286	302	203	358	307
1952											
June.....	204	388	582	250	273	-----	286	277	181	380	306
July.....	193	384	570	251	273	506	286	286	208	376	312
August.....	215	393	586	252	274	-----	287	295	225	372	316
September.....	228	399	607	251	271	-----	285	307	227	349	309
October.....	230	402	613	250	269	499	282	316	228	328	301
November.....	234	402	613	249	268	-----	281	318	238	310	295
December.....	235	408	628	246	267	-----	280	309	221	291	280
1953											
January.....	236	409	622	247	267	514	282	296	218	303	281
February.....	240	409	620	246	264	-----	280	286	206	305	277
March.....	243	412	627	247	265	-----	281	277	216	301	274
April.....	241	412	622	246	264	508	279	264	218	299	270
May.....	242	-----	619	247	264	-----	279	257	218	317	277
June.....	241	-----	-----	-----	259	-----	275	254	213	299	267

Year and month	Index numbers of prices received by farmers (1910-14=100)								Parity ratio
	Crops							All crops and live-stock	
	Food grains	Feed grains and hay	To-bacco	Cotton	Oil-bearing crops	Fruit	Truck crops		
1910-14 average.....	100	100	100	100	100	100	-----	100	100
1925-29 average.....	141	118	169	150	135	146	145	143	148
1935-39 average.....	94	95	172	87	113	95	95	99	107
1947-49 average.....	246	223	384	262	319	195	214	246	270
1950 average.....	224	187	402	280	276	200	185	232	256
1951 average.....	243	220	436	335	339	193	239	264	302
1952 average.....	244	227	432	309	296	195	254	267	288
1952									
June.....	238	226	437	319	289	220	250	277	292
July.....	230	227	436	311	307	214	287	276	295
August.....	236	233	436	319	310	206	229	272	295
September.....	240	234	428	329	305	200	182	264	288
October.....	240	219	429	311	304	215	189	260	282
November.....	248	213	412	288	300	195	238	257	277
December.....	247	218	428	268	300	206	256	257	299
1953									
January.....	245	214	419	252	291	208	237	251	267
February.....	240	206	424	255	287	209	237	247	263
March.....	246	208	424	266	291	215	248	253	264
April.....	244	206	424	266	289	226	204	247	259
May.....	242	205	426	268	285	224	182	243	261
June.....	222	198	425	266	280	253	270	251	259

¹ Federal Reserve Board: represents output of mining and manufacturing; monthly data adjusted for seasonal variation.

² Computed from reports of the Department of Commerce; monthly data adjusted for seasonal variation.

³ Bureau of Labor Statistics.

⁴ Farm wage rates simple averages of quarterly data, seasonally adjusted. ⁵ Revised.

⁶ Ratio of index of prices received to index of prices paid, interest, taxes, and wage rates. This parity ratio will not necessarily be identical to a weighted average percent of parity for all farm products, largely because parity prices for some products are on a transitional basis.

Outlook Highlights

(Continued from page 14)

Dairy Products

Consumers have used about the same quantity of dairy products and have paid about the same retail prices so far this year as in 1952. Most of the increase in milk production has been purchased by USDA in the form of butter, cheese and nonfat dry milk.

Poultry and Eggs

If the rate of lay increases this summer and fall as it has in most years, egg output probably will exceed a year earlier. With fewer eggs available from cold storage, however, total supplies will be little different than a year earlier.

Broiler marketings are likely to continue large into early September, according to figures on chick placements. Before that time, sales of chickens from farm flocks will be increasing seasonally.

Fats and Oils

Wholesale prices for soybean and other vegetable oils have gone down the last few weeks. Large stocks of soybeans were an important factor in the decline. Most other major fats and oils also have gone down with prices of inedible tallow and greases the lowest since prewar, despite record exports.

Potatoes and Sweetpotatoes

Larger supplies and much lower prices than last summer are in prospect for potatoes. A seasonal decline in sweetpotato prices is also likely this summer as new-crop supplies become available.

Cotton

Mills continued to receive large orders for grey goods in May and early June. Inventories at the end of April were low in relation to unfilled orders, according to trade reports. Cotton prices were steady in the last half of May and the first half of June. In mid-May prices to farmers averaged 4.29 cents lower than a year earlier.

Wool

World wool consumption has increased each quarter since July-Sep-

tember, 1951; was running about a third higher than a year earlier the first quarter of this year. Annual rate of consumption in that period was well above this season's estimated production. Not much change in wool prices has occurred in recent weeks at the Australian auctions or at Boston.

Tobacco

With output of cigarettes up 5 percent from 1951-52, domestic use of flue-cured and burley tobacco is expected to exceed any previous year. On the other hand, output of snuff and chewing tobacco is expected to be down, and a little less fire-cured and dark air-cured tobacco is expected to be used than last year.

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